

## **OVERVIEW OF FIRST STEPS FUNDING FY 05**

**July 16, 2004**

### **APPROPRIATIONS FOR FY 05:**

Based on the Federal and State appropriations and projected Medicaid revenues for FY 05, the Division will have approximately \$21.4 million to operate the First Steps program between July 1, 2004 and June 30, 2005. Of that amount, approximately, \$16 million will be available to support early intervention services, evaluation/assessments and team meetings. The remaining \$5.4 million supports the CFO and SPOE operations, as well as, provider training and the regional consultants. In Fiscal Year 04, total program costs equaled \$24 million. Of that, \$20.4 million was expended for early intervention services, evaluation/assessments and team meetings. In order to support the program in FY 04, DESE required a \$7.3 million supplemental appropriation which was received in April of 2004. If spending for these services continues at the same rate as the previous year, the \$21.4 million in the FY 05 appropriation will not be sufficient to fund the program for the entire year. DESE intends to seek a supplemental appropriation in FY 05 based on the current expenditure needs for the program. However, approval will not be known until April 2005.

### **WHAT DOES THIS MEAN FOR INDIVIDUAL SPOE REGIONS?**

Beginning July 1, 2004, DESE will monitor each SPOE region on a monthly basis for expenditures associated with early intervention services, evaluation/assessments and team meetings. This monitoring will include a review of costs associated with these specific service areas, a review of expenditures relative to the 2% child count for the region, justification for decisions regarding the authorized services for individual children and the appropriateness of those services based on family and child needs (i.e., the child's age and disability, family strengths, resources, etc.) Using data from the child data system, DESE will identify potential areas of concern associated with highly intensive authorizations, repetitive evaluations, excessive team meetings and expenditure rates that exceed the average across the state. Each SPOE will receive the same reports used by DESE to monitor the expenditure rate on a monthly basis and will be directed to evaluate their region by the same criteria. (See next section)

DESE will work with SPOE staff in regions identified with concerns through this monitoring process to evaluate problem areas and initiate corrective measures. First Steps Consultants will be available to work with providers, including independent and DMH service coordinators in order to strengthen the understanding of the intent of the federal law (IDEA Part C) and Missouri's First Steps system that implements that law.

### **MONTHLY REPORTING**

The Central Finance Office (CFO) will create reports to track the monthly expenditures per SPOE region. The following reports will be developed for this tracking process:

1. Expenditure by Service: This report contains all service expenditures paid through the CFO for the SPOE region. This report will be used to determine monthly rates of expenditure for early intervention services, team meetings and evaluation/assessments.
2. Services Authorized by Service Coordinator: This report will identify by service coordinator and child the specific services authorized including units of service and location of services. The report will detail the units billed by the provider for each service in that month.
3. Provider Caseload: This report will identify the active providers within the region (independent and agencies,) the number of children they served during the month, and the number of children for each specific service authorized for that provider (i.e., special instruction, OT, PT, speech therapy, etc.)
4. Statewide Monthly Expenditure Report: This report will show by SPOE region the amount paid each month for services in that region. It will provide a running total of the expenditures and the remaining balance.

These monthly reports for the SPOE regions will be distributed to SPOE administrators, the SICC, Service Coordinators, DMH regional center directors and fiscal administrators within DMH and DESE and will be posted to the First Steps web page (excluding any personally identifiable information) so that service providers may monitor the direct service funding status.

When the data for a SPOE region generates questions associated with the appropriateness of the services or level of services, DESE and the First Steps regional consultants will begin targeted assistance and data analysis with the SPOE and service coordinators associated with the identified concerns. This monitoring and assistance may include interviews with service coordinators, families, service providers and or IFSP team members, as well as, case reviews for specific children. Targeted and required training may also occur.

#### **WHAT HAPPENS WHEN ALL FUNDS ARE EXHAUSTED?**

As previously stated, First Steps funding for fiscal year 05 is \$21.4 million. Services will be provided as long as there are funds to pay for them. DESE will not request providers curtail services to families in the event that funding is exhausted prior to receiving a decision from the legislature regarding supplemental funding. However, providers will likely decide to stop providing services to children and families if there are no funds to pay for these services. DESE will request supplemental funding to ensure uninterrupted services during FY 2005; however, experience has shown that supplemental funds (if approved by the legislature) will not be available until mid-April, 2005. The difficulties associated with cash-flow in the First Steps program are critical factors that must be addressed by all involved and are the reason for this document.

#### **WHAT IS LIKELY TO IMPACT COSTS IN EARLY INTEVENTION?**

DESE believes that quality practice in early intervention and the First Steps Program is the most important factor for the children and families involved in the program and for the long term sustainability of the program. The basic tenet and philosophy of the Part C Federal legislation is to build family capacity and family competence in enhancing their child's development. IFSP teams are required by law, to determine early intervention services based upon child and family needs that will meet this intent. IFSP teams need to understand the difference between the Part C philosophy and a medical model of service delivery where all services are directed to the child and are often much more intense and frequent than those needed to support the requirements of Part C.

Current data from the CFO Child Data program shows that considerably more units of service are often authorized than are actually billed by the providers. One assumption from this data would be that IFSP teams are authorizing twice as much service as families and children are actually using. The following chart depicts some of that data.

Early intervention service	Occupational Therapy	Physical Therapy	Speech and Language Therapy	Special Instruction (Developmental Therapy)	ABA
Average units authorized	82 units per year	79 units per year	82 units per year	128 per year	1530 per year
Per cent of authorized units that were utilized by children	47%	45%	53%	43%	31%

and families					
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The data provided above could be influenced by many factors, but may suggest that Missouri families may not want multiple providers or extensive amounts of service. It may also suggest that First Steps needs to promote the notion of a “primary direct service provider” working with the family while other team members consult with the primary provider/family to suggest strategies and techniques to enhance the child’s development.

Over the next several months, the First Steps system will be placing increased emphasis on how the system can better provide training and strategies to primary caregivers so that they can utilize natural learning opportunities in their daily routines to provide children with multiple opportunities for intervention across the day and every day. This philosophy is grounded in the Federal legislation that created early intervention services under Part C of IDEA and is reflected in our First Steps training modules. The Part C Federal Regulations state that the general role of the service providers is to:

- (1) Consult with parents, other service providers, and representatives of appropriate community agencies to ensure the effective provision of services in that area;
- (2) Train parents and others regarding the provision of those services; and
- (3) Participate in the multidisciplinary team’s assessment of the child and the child’s family, and in the development of integrated goals and outcomes for the IFSP.

First Steps providers should be the “consultant and coach” to the primary caregivers, and help caregivers understand how they can meet their child’s needs in the context of the primary caregivers natural routines and activities.